

Message Text

SECRET

PAGE 01 JIDDA 07785 301333Z

46

ACTION SS-14

INFO OCT-01 ISO-00 NEA-07 SSO-00 /022 W
----- 047917

R 301045Z NOV 76
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 6493

S E C R E T JIDDA 7785

LIMDIS

E.O. 11652: GDS
TAGS: ENRG, SA
SUBJECT: OIL PRICES

1. PRINCE FAHD SEEMED DISBELIEVING WHEN I REMARKED DURING OUR MEETING NOVEMBER 29 THAT I DID NOT INTEND TO MAKE A LENGTHY DISSERTATION ON OIL PRICES. THE VIEWS OF THE SECRETARY OF STATE HAD BEEN CONVEYED TO HIM A COUPLE OF WEEKS EARLIER BY AMBASSADOR ALIREZA, I HAD NO DOUBT, AND THE EMPHASIS WAS STILL ON OUR DESIRE TO AVOID EVEN A SMALL PRICE RISE. WE KNOW SAG IS HIGHLY CONSCIOUS OF OUR VIEWS AND THAT SAUDI ARABIA HAD SHOWN IN THE PAST THAT SHE WAS DISPOSED TO BE HELPFUL. HE SAID SAUDI ARABIA STILL WISHES TO BE AS HELPFUL AS POSSIBLE. HE STOPPED THERE.

2. HE SHOWED NO INCLINATION TO CONTINUE DISCUSSING THIS TOPIC. HE SIPPED HIS PEPSI AND I SIPPED MINE LOOKING AT HIM. I THOUGHT I'D BETTER HELP THINGS ALONG.

3. I SAID IT WOULD BE A PITY IF THE PRESENT ADMINISTRATION HAD TO HAND OVER TO SUCCESSORS ADVERSE EFFECT OF; INCREASED PRICES, OR IF THE NEW ADMINISTRATION WERE CONFRONTED WITH SUCH A DEVELOPMENT BEFORE IT HAS TIME TO FIX ITS POLICY. NO MATTER WHAT OPEC DECIDES, I CONTINUED, MORE TIME SEEMS REQUIRED. THE SUDDEN APPEARANCE OF A PROBLEM COULD TEND TO DELAY CONSIDERATION OF MATTERS OF WORLD IMPORTANCE SUCH AS THE MIDDLE EAST PROBLEM, FOR INSTANCE. THIS EVOKED WHAT I WOULD CALL A SPIRITED REACTION.

SECRET

SECRET

PAGE 02 JIDDA 07785 301333Z

4. FAHD DECLARED SAUDIS ARE NOT GOING TO PLAY GAME OF THOSE WHO WOULD LIKE TO SEE AN IMMEDIATE DETERIORATION OF SAUDI RELATIONS WITH NEW ADMINISTRATION. THE TIME FOR MAJOR EFFORT FOR A GENERAL SETTLEMENT BETWEEN ARABS AND ISRAEL IS CLOSE. THERE CAN BE A SETTLEMENT BASED ON 1967 BORDRS AND IT MUST INCLUDE RECOGNITION OF ISRAEL AS A STATE AND A NATION. PALESTINIANS MUST RECEIVE SOME LAND AND BE ALLOWED TO CREATE THEIR OWN STATE. NOT ALL OF THEM WILL WISH TO RETURN TO THAT STATE, BUT THERE MUST BE RECOGNITION OF THEIR RIGHTS IN THAT RESPECT. SADAT AND ASSAD ARE AVAILABLE NOW AND WHO KNOWS WHAT MIGHT HAPPEN IF THEY ARE NOT AROUND WHEN THEY ARE NEEDED?

5. HE ABRUPTLY CHANGED THE SUBJECT.

6. FOR DEPUTY UNDERSEC EAGLEBURGER: I ASSUME TELEGRAMS ON THIS SUBJECT WILL BE MADE AVAILABLE TO CARTER TRANSITION TEAM AND WOULD LIKE CONFIRMATION TO THAT EFFECT. IT MIGHT ENABLE ME TO EVOKE LESS CRYPTIC COMMENTS FROM CROWN PRINCE AS TO SAUDI STANCE AT UPCOMING OPEC MEETING IF FAHD COULD BE MADE AWARE THAT HIS VIEWS WILL BE PASSED TO APPROPRIATE CARTER TRANSITION GROUP IN STATE. HE WAS NOT AS FORTHCOMING AS USUAL ON THIS PARTICULAR SUBJECT. PERHAPS HE HAS BEEN HEARING THINGS FROM AMERICAN AND OTHER SOURCES WHICH HE FINDS DISTRUBING.

7. DEPARTMENT PLEASE REPEAT ADDITIONAL ADDRESSEES AS APPROPRIATE.
PORTER

NOTE BY OC/T: DISTRIBUTION COORDINATED WITH MR. MACK, S/S-O

SECRET

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PRICES, FOREIGN POLICY POSITION, PEACE PLANS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 NOV 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ElyME
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976JIDDA07785
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760443-0589
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976114/aaaaadnd.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: SECRET
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ElyME
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUN 2004 by ElyME>; APPROVED <08 NOV 2004 by ElyME>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: OIL PRICES
TAGS: ENRG, SA, (FAHD, CROWN PRINCE)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006